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SUBJECT: 40th PARLIAMENT'S THRONE SPEECH - TAKE TWO

REF: 08 OTTAWA 1516
-- 08 OTTAWA 1470

¶1. (SBU) Summary: At the January 26 opening of the second session of the 40th Parliament, the government's latest Throne Speech was brief, sober in tone, focused exclusively on the economy, and unabashed in hitting key Liberal Party buttons in a clear bid to secure bipartisan political support. The government will next present the FY09 federal budget on January 27; votes on that over the next week will be the key to the survival of Prime Minister Stephen Harper's government, which still appears likely. End summary.

DO-OVER

¶2. (U) On January 26, Governor General Michaëlle Jean read an unprecedently short (seven-and-a-half minutes) "Speech from the Throne" to kick off the second session of the 40th Parliament following the prorogation of Parliament on December 4 (ref a). It came just 68 days since the last Throne Speech on November 18 (ref b) and was markedly missing many of the usual trappings of the event (notably, the outdoor ceremonies, which the bitter winter weather made unfeasible). Highlighting that the global economic outlook had weakened since the October federal election, and even further since prorogation in December, the Speech focused almost exclusively on the urgency of shoring up the Canadian economy.

¶3. (U) The government's Speech also exhorted parliamentarians to work together, to put aside partisanship, and to strive for greater solidarity at a time of "unprecedented economic uncertainty." The government underscored that it had undertaken a real dialogue with stakeholders, that it had reached out and listened to Canadians and organizations, as well as to municipal, provincial, and territorial governments, in "a spirit of open and non-partisan co-operation" to find workable solutions. It admitted that the "deepening crisis" required testing "old assumptions" and rethinking "old decisions."

¶4. (U) The Speech foreshadowed the federal budget, which the government will introduce on January 27, by promising a "clear and focused" economic action plan to stimulate the economy, to invest in infrastructure, to protect the stability of the financial system, to ensure access to credit, to support Canadian industries in difficulty (including forestry, manufacturing, automotive, tourism, and agriculture), and to protect the vulnerable, especially those on low incomes, seniors, and aborigines. While pledging that the government would spend what was necessary, the Speech promised that the government would not return to permanent deficits. Although the government acknowledged that its primary focus was the economy, it also pledged to attend to "the other important priorities" it had set out in last fall's Throne Speech, without specifying those issues.

MIXED REACTION

¶5. (U) Leader of the Official Opposition and of the Liberal Party Michael Ignatieff was quick to take credit for the Speech's references to protecting the most vulnerable, saving jobs for now,

and creating new jobs for the future, claiming that "imitation is the most sincere form of flattery" since they reflected virtually word-for-word his comments at the Liberals' January 19 caucus. He and other Liberal spokespersons nonetheless declined to specify whether they would support the budget, insisting that they would closely examine the entire document first, but promising a clear position in a day or two. Bloc Quebecois leader Gilles Duceppe and New Democratic Party leader Jack Layton were more categorical in voicing their opposition. Layton emphasized that the real issue was "trust," which he claimed that PM Harper had irreparably destroyed. Q"trust," which he claimed that PM Harper had irreparably destroyed.

¶6. (U) There will be apparently a vote on a Bloc Quebecois sub-amendment to the budget on January 28 or 29, with a vote on a Liberal amendment expected o/a February 2. These votes, as well as the final votes on the budget and on the Speech itself, will all by definition be confidence votes that could bring down the government.

¶7. (SBU) Comment: The latest Throne Speech's subdued tone is a significant change from November's confident and provocative statement, demonstrating that the Conservatives essentially "get it" in terms of the need to speak a new language of conciliation and co-operation after their near-death experience in December. The Speech hit important Liberal buttons and likely will gain the Liberals' support or acquiescence, but, as some opposition politicians have already warned, "the proof is in the pudding" with respect to the specifics of federal budget (and extent of the deficit) as well as PM Harper's willingness to make Parliament work.
End comment.

BREESE